

HUAT LAI RESOURCES BERHAD

(Company No: 323273-T)

(Incorporated in Malaysia under the Companies Act, 1965)



PROSPECTUS

**PUBLIC ISSUE OF 7,580,000
NEW ORDINARY SHARES OF RM1.00 EACH
AT AN ISSUE PRICE OF
RM1.40 PER NEW ORDINARY SHARE
PAYABLE IN FULL ON APPLICATION**

**OFFER FOR SALE OF 15,000,000
ORDINARY SHARES OF RM1.00 EACH
AT AN OFFER PRICE OF
RM1.40 PER ORDINARY SHARE
PAYABLE IN FULL ON APPLICATION**

**PURSUANT TO THE LISTING OF
HUAT LAI RESOURCES BERHAD
ON THE SECOND BOARD OF
THE KUALA LUMPUR STOCK EXCHANGE**

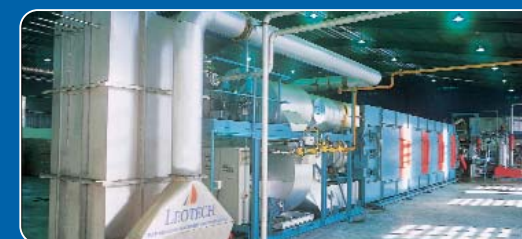
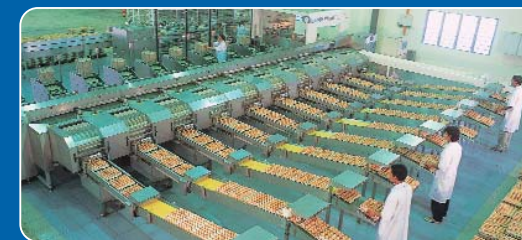
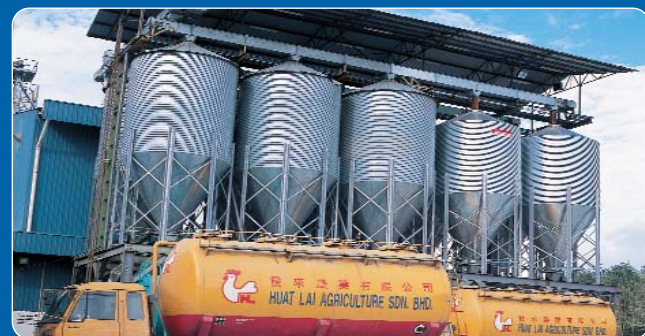
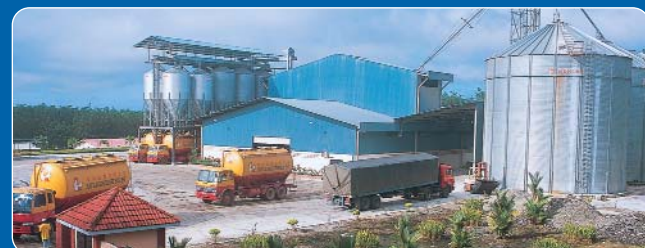
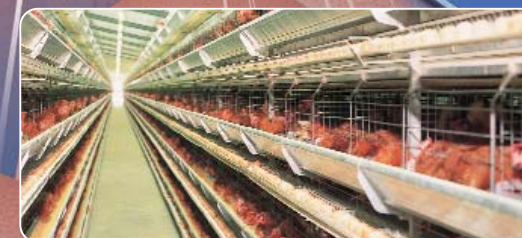
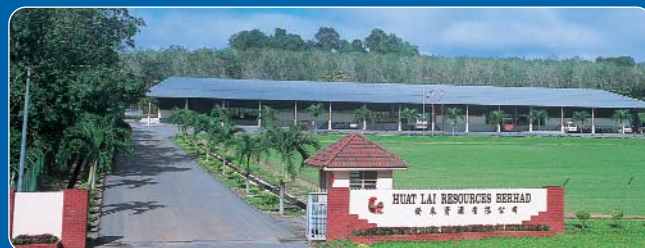
Adviser & Managing Underwriter



Aseambankers Malaysia Berhad (15938-H)

This Prospectus is dated 20 May 2002

"FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "INVESTMENT CONSIDERATIONS" SET OUT IN SECTION 4 HEREOF"



HUAT LAI RESOURCES BERHAD

(Company No: 323273-T) (Incorporated in Malaysia under the Companies Act, 1965)

PT. 1678, Mukim of Serkam, 77300 Merlimau, Melaka, Malaysia.

Tel : 606-268 6315 (Hunting Line) Fax : 606-268 6327

Email : huatlai@pd.jaring.my

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF HUAT LAI RESOURCES BERHAD (323273-T) ("HLRB" OR "THE COMPANY") AND THE OFFERORS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

ASEAMBANKERS MALAYSIA BERHAD, BEING THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE OF 7,580,000 NEW ORDINARY SHARES OF RM1.00 EACH AND OFFER FOR SALE OF 15,000,000 ORDINARY SHARES OF RM1.00 EACH IN HLRB AND IT IS SATISFIED THAT THE CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2002 (FOR WHICH THE DIRECTORS OF HLRB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF THE COMPANY AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF ANY INVESTMENT.**

THE VALUATION OF THE PROPERTIES APPROVED OR ACCEPTED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE LISTING EXERCISE SUBMITTED TO AND APPROVED BY THE SC AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC OF THE VALUES OF THE SUBJECT PROPERTIES FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF HLRB OR ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

Company No: (323273-T)

INDICATIVE TIMETABLE

SPECIAL EVENTS	DATE
OPENING OF THE ISSUE/OFFER	: 20 May 2002
CLOSING OF THE ISSUE/OFFER	: 3 June 2002 (8.00 p.m.)
TENTATIVE BALLOTING DATE	: 10 June 2002
TENTATIVE ALLOTMENT DATE	: 24 June 2002
TENTATIVE LISTING DATE	: 28 June 2002

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DEFINITIONS

In this Prospectus, unless otherwise indicated, the following words and abbreviations shall have the following meanings:

“Abner”	:	ABNER (S.E. ASIA) Sdn Bhd (443901-T)
“Acquisition of Shares by EUSB”	:	Acquisition by EUSB of 4,988,792 ordinary shares of RM1.00 each representing 60.11% of the then equity interest in HLRB from the Vendors for a total purchase consideration of RM4,988,792 duly satisfied by an issuance of 100,000 new ordinary shares of RM1.00 each in EUSB at approximately RM49.89 per share to the Vendors
“ADA”	:	Authorised Depository Agent
“AFTA”	:	Asean Free Trade Area
“Aseambankers”	:	Aseambankers Malaysia Berhad (15938-H)
“Bonus Issue”	:	Bonus issue of 30,080,995 new ordinary shares of RM1.00 each to the shareholders of HLRB on the basis of approximately 3,625 new ordinary shares for every 1,000 ordinary shares of RM1.00 each held in HLRB after the Acquisition of Shares by EUSB. The Bonus Issue was effected by capitalising RM20,201,748 from the retained profits account of HLRB and RM9,879,247 from the revaluation surplus account of HLRB arising from the Revaluations.
“CCM”	:	Companies Commission of Malaysia
“CDS”	:	Central Depository System
“EPS”	:	Earnings per share
“EUSB”	:	Esprit Unity Sdn Bhd (540946-A)
“FIC”	:	Foreign Investment Committee
“GFF”	:	Green Friend Fertilizer Sdn Bhd (403638-H), a wholly-owned subsidiary company of HLRB
“HLPP”	:	Huat Lai Paper Products Sdn Bhd (533685-V), a wholly-owned subsidiary company of HLRB
“HLRB” or “the Company”	:	Huat Lai Resources Berhad (323273-T)
“HLRB Group” or “the Group”	:	HLRB and its subsidiary companies, namely GFF and HLPP
“Issue/Offer Price”	:	RM1.40 for each new ordinary share pursuant to the Public Issue or each ordinary share pursuant to the Offer for Sale
“KLSE”	:	Kuala Lumpur Stock Exchange
“Listing”	:	The admission to the Official List and listing of and quotation for the entire enlarged issued and paid-up share capital of HLRB comprising 50,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE

DEFINITIONS (Cont'd)

“MCD”	:	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary of KLSE															
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)															
“MITI”	:	Ministry of International Trade and Industry															
“NTA”	:	Net tangible assets															
“Offer for Sale” or “Offer”	:	Offer for Sale of 15,000,000 ordinary shares of RM1.00 each in the Company at an offer price of RM1.40 per ordinary share by the Offerors to the Bumiputera investors, subject to the terms and conditions of this Prospectus															
“Offer for Sale Shares”	:	The 15,000,000 ordinary shares of RM1.00 each to be offered by the Offerors pursuant to the Offer for Sale															
“Offerors”	:	<p>Certain shareholders of HLRB with their respective number of Offer for Sale Shares as set out below:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: right;">No. of Offer for Sale Shares</th> <th style="text-align: right;">% of Enlarged Share Capital</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Lim Yeow Her</td> <td style="text-align: right;">7,500,902</td> <td style="text-align: right;">15.00</td> </tr> <tr> <td style="text-align: left;">Lim Yeow Kian</td> <td style="text-align: right;">3,749,549</td> <td style="text-align: right;">7.50</td> </tr> <tr> <td style="text-align: left;">Lim Yeow Siong</td> <td style="text-align: right;">3,749,549</td> <td style="text-align: right;">7.50</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">15,000,000</td> <td style="text-align: right; border-top: 1px solid black;">30.00</td> </tr> </tbody> </table>		No. of Offer for Sale Shares	% of Enlarged Share Capital	Lim Yeow Her	7,500,902	15.00	Lim Yeow Kian	3,749,549	7.50	Lim Yeow Siong	3,749,549	7.50		15,000,000	30.00
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Lim Yeow Kian	3,749,549	7.50															
Lim Yeow Siong	3,749,549	7.50															
	15,000,000	30.00															
“PAT”	:	Profit after taxation															
“PBT”	:	Profit before taxation															
“PE Multiple”	:	Price earnings multiple															
“Public Issue” or “Issue”	:	Public issue of 7,580,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.40 per new ordinary share payable in full upon application, subject to the terms and conditions of this Prospectus															
“Public Issue Shares”	:	The 7,580,000 new ordinary shares of RM1.00 each in HLRB to be issued pursuant to the Public Issue															
“Revaluations”	:	The Revaluation of Landed Properties of HLRB and GFF and the Revaluation of Investment in GFF collectively.															
“Revaluation of Landed Properties of HLRB and GFF ”	:	Revaluation of landed properties of HLRB and GFF as assessed by Colliers, Jordan Lee & Jaafar (M’cca) Sdn Bhd, a firm of independent professional valuers and incorporation of the revaluation surplus amounting to RM15,879,582 and RM1,870,396 into the financial statements of HLRB and GFF respectively for the financial year ended 31 December 2001															

DEFINITIONS *(Cont'd)*

“Revaluation of Investment in GFF ”	:	Revaluation of investment in GFF and incorporation of the revaluation surplus amounting to RM1,925,832 into the financial statements of HLRB for the financial year ended 31 December 2001
“Rights Issue”	:	Rights issue of 4,040,002 new ordinary shares of RM1.00 each at par per new ordinary share to the existing shareholders of HLRB on the basis of approximately 105 new ordinary shares for every 1,000 ordinary shares of RM1.00 each held in HLRB after the Bonus Issue
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“SC”	:	Securities Commission
“sq. m”	:	Square metre(s)
“sq. ft”	:	Square foot/feet
“USD”	:	United States Dollars
“Vendors of HLRB” or “Vendors”	:	Lim Yeow Her, Lim Yeow Kian and Lim Yeow Siong

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